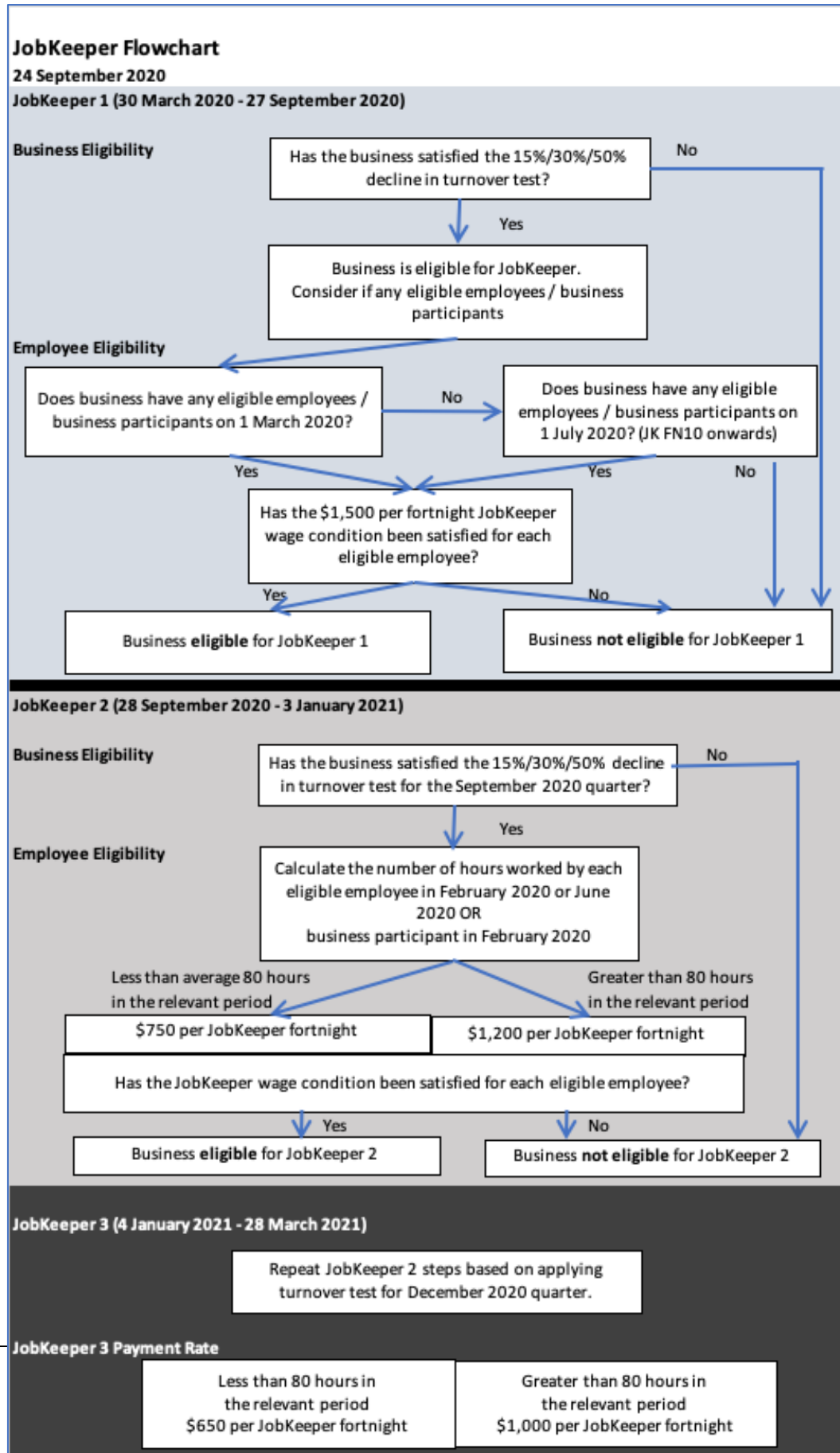


JOBKEEPER 2.0 IS LIVE FROM 28TH SEPTEMBER 2020

Since our last communication on 20 August 2020 regarding changes to JobKeeper, legislation has been enacted and the 'new' JobKeeper scheme starts next week. Please find below an outline of what you must start doing now to determine if you are eligible and what the next steps are either way.



Overview of JobKeeper

- JobKeeper 1 — 30 March 2020 to 27 September 2020
- JobKeeper 2 — 28 September 2020 to 28 March 2021
- Two main categories of eligible entities:
 - Employers — eligibility based on paid employees
 - Entities — eligibility based on business participation
- All entities must satisfy a 'decline in turnover test' – see below for detailed discussion
- Employers must meet a 'wage condition'
- Entities must satisfy additional integrity provisions
- Employees and Business Participants must be identified as either Tier 1 or Tier 2 based on hours worked in February 2020 or June 2020 – see below for details

Action Points Summary for Employers / Business Participants ('BP's')

Determine whether you remain eligible or become eligible for JobKeeper 2.0 – you need to satisfy the decline in turnover test and employees must satisfy eligibility conditions.

If Employer / BP Is No Longer Eligible

- No need to 'un-enrol' with the ATO
- No need to 'finish' employees
- Stop lodging monthly declarations after final declaration lodged
- Notify employees
- Make the required changes in your STP payroll software
- Stop paying top-up JobKeeper payments

If Employer / BP becomes NEWLY Eligible

- Enrol business with the ATO online
- Identify eligible employees and whether they are Tier 1 or Tier 2
- Obtain employee nominations forms
- Set up your STP payroll software accordingly
- Start paying JobKeeper top-up amounts from 28th September 2020 according to the different Tier 1 and Tier 2 rates – wage condition must be satisfied

Continuing Employers / BP's

- No need to obtain employee nomination forms for existing employees – need them for any new employees
- Identify eligible employees and whether they are Tier 1 or Tier 2 Set up your STP payroll software accordingly
- Start paying JobKeeper top-up amounts from 28th September 2020 according to the different Tier 1 and Tier 2 rates – wage condition must be satisfied

Notes on Employee Eligibility Changes – you need to act now!

Eligible employees — must be employed as at 1 July 2020 (eligibility of ‘1 March 2020 employees’ is preserved) – these changes apply from 3rd August 2020

Nominations:

- Employer must have given new employees a nomination notice
- Employees who agree to be nominated must return the notice to their employer
- ‘1 March 2020 employee’ of an old employer can re-nominate with their new employer

Previously ineligible employees may now be eligible:

- Individuals (other than casuals) employed after 1 March 2020 and before 1 July 2020 who meet the age and residency requirements
- Casuals who were not a long term casual employee on 1 March 2020 but became a long term casual employee by 1 July 2020
- Employees who did not qualify on 1 March 2020 due to their age or visa status but turned 16 or 17 (and meet the independence and study conditions), turned 18 or obtained the necessary visa by 1 July 2020

If you have an employee who becomes eligible under this new definition, then please ensure that they have completed and returned the [Employee Nomination Form](#) to you **ASAP**.

For more information regarding these changes, refer to [JobKeeper extension](#)
For further information on employee eligibility, refer to: [JobKeeper Payments](#).

Tier 1 and Tier 2 Employees and Business Participants

From 28 September 2020 the JobKeeper rates will be based on the number of hours worked (for employees) or active engagement (for business participants).

This determination of Tier 1 and Tier 2 is a ‘one off’ test and is expected to lock in employees and business participants until the end of the JobKeeper program in March 2021 or an entity exiting the program, whichever one come earlier

The Tier 1 and Tier 2 rates are as follows:

		Full Rate - Tier 1	Partial Rate - Tier 2
Phase 1	28th September 2020 to 3rd January 2021	\$1,200 per fortnight	\$750 per fortnight
Phase 2	4th January 2021 to 28th March 2021	\$1,000 per fortnight	\$650 per fortnight

The Testing Period for Employees and Business Participants

The test can be referred to as the '80-hour work test' as it requires that the employee or the business participant satisfies 80 hours or more of work or active engagement in a specified reference period.

Depending on whether it is the employee or the business participant testing which tier applies, the reference period will be different.

For employees, the reference period can be February 2020 or June 2020 – whichever gives the better outcome for the employee. Please note paid leave/absence counts as hours worked.

For business participants, it is only February 2020.

Alternative tests are available if either February or June do not represent a normal month (eg employee started work halfway through the month etc)

	Employees	Business Participants
	In the 28-day period ending at the end of the most recent pay cycle that ended before 1 March 2020 or 1 July 2020	In the month of February 2020
Eligible for full rate	Worked in the business for 80 hours or more in the applicable reference period	Was actively engaged in the business for 80 hours or more in February 2020
Eligible for partial rate	Worked in the business for less than 80 hours or more in the applicable reference period	Was actively engaged in the business for less than 80 hours in February 2020

Satisfying the Decline In Turnover Tests

To become or remain eligible for JK 2.0 employers and entities must satisfy a new decline in turnover test from 28th September 2020. To continue being eligible beyond Phase 1 (4 January 2021 onwards), the turnover test must be passed again.

Whilst the same thresholds apply (15%, 30% or 50%), the rules have changed dramatically.

What has changed?

- An entity is required to test their decline in turnover based on ACTUAL rather than projected GST turnover
- An entity must allocate supplies to the relevant quarter in the same way the entity would report the supplies in their Business Activity Statement
- The test is a quarterly test regardless of your GST reporting method.
- You must use the same basis (cash or accruals for both the 'testing period' and the 'comparison period')

Actual decline in turnover test

Under the new rules an entity must have experienced an actual decline in turnover during the turnover test period when comparing that period to the relevant comparison period. Entities can use either the Basic Test or one of the Alternative Tests (subject to meeting the eligibility criteria) for determining their actual decline in turnover.

Phase of JK 2.0	Turnover Test Period	Relevant Comparison Period
Phase 1 - 28 Sept 2020 to 3 Jan 2021	Quarter ending 30 September 2020	Quarter ending 30 September 2019
Phase 2 - 4 Jan 2021 to 28 March 2021	Quarter ending 31 December 2020	Quarter ending 31 December 2019

Where an entity does not satisfy the actual decline in turnover test for the September 2020 quarter, they may still be eligible for JobKeeper payments for the second extension period if they satisfy the actual decline in turnover test for the December 2020 quarter.

Major Difference!

The main difference between the new decline turnover test and the original decline in turnover test is that disposals of capital assets and supplies made in reducing the size and/or scale of a business must be included as part of current GST turnover for the purposes of the new decline in turnover test.

This may make it difficult for some businesses to satisfy the actual decline in turnover test where they have disposed of capital assets in the turnover test period.

What if I am registered for GST?

If an entity is registered for GST and has always used the same GST accounting basis, the entity needs to use that basis for the actual decline in turnover test. Basically, if you report GST on accruals basis, you use accruals basis for the purposes of the test, if you report GST on a cash basis, you use cash basis.

What if I am not registered for GST?

If an entity is not registered for GST purposes, they continue to have the option to use either a cash or non-cash basis to allocate supplies to the relevant period, but they must use the same method for both the turnover test period and the relevant comparison period.

Needless to say, the decline in turnover tests and the associated alternative tests are complicated and if you require any assistance with calculating whether you remain or become eligible for JobKeeper, please contact your advisor at BSA Partnership.

A summary of the accounting methods you need to use in determining GST Turnover for the testing and comparison periods is outlined below. Please remember you must use the same basis for both the turnover test period and the comparison period.

Summary of Accounting Methods for working out GST Turnover for Decline Test

Comparison Period 1 = Quarter ending 30 September 2019

Testing Period 1 = Quarter ending 30 September 2020

Comparison Period 2 = Quarter ending 31 December 2019

Testing Period 2 = Quarter ending 31 December 2020

Details	Accruals Basis	Cash Basis
Non GST Registered entity	✓	✓
Entity has ALWAYS been registered for GST and has always used:		
Accruals Basis for BAS	✓	X
Cash Basis for BAS	X	✓
Entity became GST registered during the comparison period (Sept 2019 or Dec 2019 quarter)		
Use the basis that first applied to you:		
If used Accruals Basis	✓	X
If used Cash Basis	X	✓
Entity is GST registered and at the beginning of or during the start of the 'comparison period' (Sept 2019 quarter or Dec 2019 quarter) changed the GST		
Use the basis that applied to you in the first tax period of the applicable comparison period (Sept 2019 or Dec 2019 quarter)		
If used Accruals Basis	✓	X
If used Cash Basis	X	✓
Entity cancelled GST registration during the comparison period (Sept 2019 or Dec 2019 quarter)		
Use the basis that applied to you in the first tax period of the applicable comparison period (Sept 2019 or Dec 2019 quarter)		
If used Accruals Basis	✓	X
If used Cash Basis	X	✓
Entity registers for GST after the end of the comparison period (Sept 2019 or Dec 2019 quarter)		
Use the basis that applied to you in the first tax period of the applicable testing period (Sept 2020 or Dec 2020 quarter)		
If used Accruals Basis	✓	X
If used Cash Basis	X	✓

Please also find attached a summary of the new JobKeeper Fortnights, wage conditions and an ATO Infographic and Tax Institute Infographic.



JobKeeper Fortnight Number	JobKeeper Fortnight Dates	JK Month Form	Wage Condition
9	20 July 2020 - 2 August 2020	August	\$1,500 per fortnight
10	3 Aug 2020 - 16 Aug 2020		
11	17 Aug 2020 - 30 Aug 2020		
12	31 Aug 2020 - 13 Sept 2020	September	\$1,500 per fortnight
13	14 Sept 2020 - 27 Sept 2020		
14	28 Sept 2020 - 11 Oct 2020	October	\$1,200 per fortnight for Tier 1 employees, \$750 per fortnight for Tier 2
15	12 Oct 2020 - 25 Oct 2020		
16	26 Oct 2020 - 8 Nov 2020	November	\$1,200 per fortnight for Tier 1 employees, \$750 per fortnight for Tier 2
17	9 Nov 2020 - 22 Nov 2020		
18	23 Nov 2020 - 6 Dec 2020	December	\$1,200 per fortnight for Tier 1 employees, \$750 per fortnight for Tier 2
19	7 Dec 2020 - 20 Dec 2020		
20	21 Dec 2020 - 3 Jan 2021	January	\$1,200 per fortnight for Tier 1 employees, \$750 per fortnight for Tier 2
21	4 Jan 2021 - 17 Jan 2021	January	\$1,000 per fortnight for Tier 1 employees, \$650 per fortnight for Tier 2
22	18 Jan 2021 - 31 Jan 2021		
23	1 Feb 2021 - 14 Feb 2021	February	\$1,000 per fortnight for Tier 1 employees, \$650 per fortnight for Tier 2
24	15 Feb 2021 - 28 Feb 2021		
25	1 March 2021 - 14 Mar 2021	March	\$1,000 per fortnight for Tier 1 employees, \$650 per fortnight for Tier 2
26	15 Mar 2021 - 28 Mar 2021		

		Full Rate - Tier 1	Partial Rate - Tier 2
Phase 1	28th September 2020 to 3rd January 2021	\$1,200 per fortnight	\$750 per fortnight
Phase 2	4th January 2021 to 28th March 2021	\$1,000 per fortnight	\$650 per fortnight

	Employees	Business Participants
	In the 28-day period ending at the end of the most recent pay cycle that ended before 1 March 2020 or 1 July 2020	In the month of February 2020
Eligible for full rate	Worked in the business for 80 hours or more in the applicable reference period	Was actively engaged in the business for 80 hours or more in February 2020
Eligible for partial rate	Worked in the business for less than 80 hours or more in the applicable reference period	Was actively engaged in the business for less than 80 hours in February 2020

JobKeeper extension

What you need to do as a business or not-for-profit



Australian Government

Australian Taxation Office

**MARCH
28**

The government has extended JobKeeper until 28 March 2021.

There are two extension periods, each with two payment rates (tier 1 and tier 2).

Extension 1:

28 September 2020 to 3 January 2021

The rates of the JobKeeper payment in this extension period are:

- Tier 1: \$1,200 per fortnight
- Tier 2: \$750 per fortnight

Extension 2:

4 January 2021 to 28 March 2021

The rates of the JobKeeper payment in this extension period are:

- Tier 1: \$1,000 per fortnight
- Tier 2: \$650 per fortnight

How to continue receiving JobKeeper extension 1 payments

- If you are already receiving JobKeeper payments, you don't need to enrol again or do anything different until after **28 September 2020**.
- From **28 September 2020**, the JobKeeper extension starts and the payment rates change for eligible employees.
- You have until **31 October 2020** to meet the wage condition for fortnights ending in October for all your eligible employees.
- To remain eligible for JobKeeper extension one, you'll need to demonstrate that you satisfy the actual decline in turnover for the September 2020 quarter (July, August, September) relative to a comparable period (generally July, August, September 2019).

- If you are currently enrolled and would like to continue to claim JobKeeper payments in the first extension, you'll need to check your continuing eligibility from **1 October 2020**. Once confirmed, submit this information to us online.
- You, or your registered tax or BAS agent, will then need to submit a monthly declaration to the ATO between the 1st and the 14th of each month, to receive your reimbursements for payments you made in the previous month.
- You'll need to select which payment tier you're claiming for each eligible employee or business participant by your first monthly business declaration in November.

How to enrol for JobKeeper

You can enrol at any time until the program closes, and you only need to enrol once.

Before you enrol, check your business and employees meet the eligibility requirements, and decide whether to set up your systems using ATO online services through myGov or the Business Portal.

If you are new to JobKeeper, you'll need to satisfy the actual decline in turnover test after you enrol. If you meet this turnover test, you will have also satisfied the original decline in turnover test.

- Log into ATO online services or the Business Portal or your tax or BAS agent can do this for you.
- View the COVID-19 screen, select 'Step 1: Enrol business for JobKeeper wage subsidies', and complete the required fields.
- Return from 1 October to complete the check for actual decline in turnover.

How to stop receiving JobKeeper payments

If you're eligible but decide to stop receiving JobKeeper payments, you'll need to update the information in your business monthly declaration.

- Log into ATO online services or the Business Portal
- In your business monthly declaration form, select 'Maintain employees'
- Change the JobKeeper status of your employees or business participant to 'Not claiming yet'
- Notify your employees or business participant that you are no longer receiving JobKeeper payments.

JobKeeper 2.1 updated infographic

JobKeeper 1.0:

30 March 2020 to 27 September 2020

JobKeeper 2.1:

28 September 2020 to 28 March 2021

For JobKeeper fortnights from 3 August 2020, the relevant date of employment has moved from 1 March 2020 to 1 July 2020



JobKeeper rates and decline in turnover test



Hours worked by individual in the reference period before 1 Mar 2020 or 1 Jul 2020



30 Mar 2020 to 27 Sep 2020



28 Sep 2020 to 3 Jan 2021



4 Jan 2021 to 28 Mar 2021

80⁺
HOURS



\$1,200
PER FORTNIGHT

\$1,000
PER FORTNIGHT

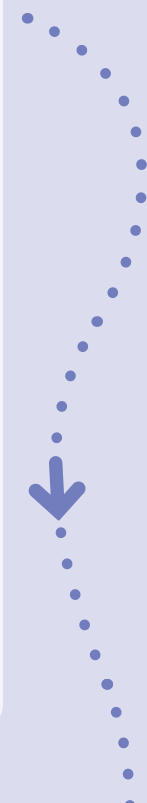
\$1,500
PER FORTNIGHT

<80
HOURS



\$750
PER FORTNIGHT

\$650
PER FORTNIGHT



JobKeeper rates and decline in turnover test continued



30 Mar 2020
to 27 Sep 2020



28 Sep 2020
to 3 Jan 2021



4 Jan 2021
to 28 Mar 2021

GST turnover

Projected

Range of accounting
and attribution methods
available

Actual

Must use cash or
accruals attribution basis
— method depends on
circumstances

Actual

Must use cash or
accruals attribution basis
— method depends on
circumstances

Turnover test period

Month from March to
September 2020, or June
or September 2020 quarter

Month from March to
December 2020,
or June, September or
December 2020 quarter


PLUS September 2020
quarter

(in practice, meeting test
in September quarter will
meet both requirements)

Month from March to
December 2020,
or June, September or
December 2020 quarter

PLUS December 2020
quarter

(in practice, meeting test
in December quarter will
meet both requirements)

 **Specified decline
in GST turnover
percentage**

- If aggregated turnover \leq \$1b — at least **30%**
- If aggregated turnover $>$ \$1b — at least **50%**
- ACNC-registered charities — at least **15%**



Payroll cycles

The table below sets out the minimum amounts that employers need to pay to meet the wage condition, according to whether their payroll cycle is weekly, fortnightly or monthly.



Hours worked by individual in the reference period before 1 Mar 2020 or 1 Jul 2020



30 Mar 2020 to 27 Sep 2020



28 Sep 2020 to 3 Jan 2021



4 Jan 2021 to 28 Mar 2021

Weekly payroll cycle

80⁺
HOURS



\$750

PER WEEK

\$600

PER WEEK

\$500

PER WEEK

<80
HOURS



\$375

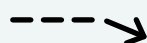
PER WEEK

\$325

PER WEEK

Fortnightly payroll cycle

80⁺
HOURS



\$1,500

PER FORTNIGHT

\$1,200

PER FORTNIGHT

\$1,000

PER FORTNIGHT

<80
HOURS



\$750

PER FORTNIGHT

\$650

PER FORTNIGHT



Payroll cycles continued



Hours worked by individual
in the reference period before
1 Mar 2020 or 1 Jul 2020



30 Mar 2020
to 27 Sep 2020



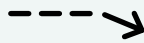
28 Sep 2020
to 3 Jan 2021



4 Jan 2021
to 28 Mar 2021

Monthly payroll cycle

80⁺
HOURS



\$3,000¹
per month if based on
JobKeeper entitlement
for the month

\$2,400

per month if based on
JobKeeper entitlement
for the month

\$2,000²

per month if based on
JobKeeper entitlement
for the month

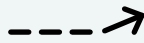
\$2,400

per month if based
on average over the
JobKeeper period

\$2,400

per month if based
on average over the
JobKeeper period

<80
HOURS



\$3,250
per month if based
on average over the
JobKeeper period

\$1,500

per month if based on
JobKeeper entitlement
for the month

\$1,300³

per month if based on
JobKeeper entitlement
for the month

\$1,525

per month if based
on average over the
JobKeeper period

\$1,525

per month if based
on average over the
JobKeeper period

¹ August 2020 would be \$4,500 instead of \$3,000 to include the payments for the three JobKeeper fortnights.

² January 2021 would be \$3,200 instead of \$2,000 to include the payment for the 20th JobKeeper fortnight, ending on 3 January 2021, of \$1,200.

³ January 2021 would be \$2,050 instead of \$1,300 to include the payment for the 20th JobKeeper fortnight, ending on 3 January 2021, of \$750.



Schedule of JobKeeper fortnights

JobKeeper fortnight	Wage condition deadline	Month of payment by ATO	Monthly ATO payment per eligible individual
1. 30 March–12 April 2020	8 May 2020 (transitional)	June 2020 (instead of May 2020)	\$3,000
2. 13–26 April 2020	8 May 2020 (transitional)		
3. 27 April–10 May 2020	10 May 2020	June 2020	\$3,000
4. 11–24 May 2020	24 May 2020		
5. 25 May–7 June 2020	7 June 2020	July 2020	\$3,000
6. 8–21 June 2020	21 June 2020		
7. 22 June–5 July 2020	5 July 2020	August 2020	\$3,000
8. 6–19 July 2020	19 July 2020		
9. 20 July–2 August 2020	2 August 2020	September 2020	\$4,500
10. 3–16 August 2020	16 August 2020 ¹		
11. 17–30 August 2020	30 August 2020 ¹		
12. 31 August–13 September 2020	13 September 2020	October 2020	\$3,000
13. 14–27 September 2020	27 September 2020		
14. 28 September–11 October 2020	31 October 2020 (transitional)	November 2020	\$2,400 (higher rate)
15. 12–25 October 2020	31 October 2020 (transitional)		\$1,500 (lower rate)
16. 26 October–8 November 2020	8 November 2020	December 2020	\$2,400 (higher rate)
17. 9–22 November 2020	22 November 2020		\$1,500 (lower rate)
18. 23 November–6 December 2020	6 December 2020	January 2021	\$2,400 (higher rate)
19. 7–20 December 2020	20 December 2020		\$1,500 (lower rate)
20. 21 December 2020–3 January 2021	3 January 2021	February 2021	\$3,200 (higher rate)
21. 4–17 January 2021	To be advised		\$2,050 (lower rate)
22. 18–31 January 2021	To be advised		
23. 1–14 February 2021	To be advised	March 2021	\$2,000 (higher rate)
24. 15–28 February 2021	To be advised		\$1,300 (lower rate)
25. 1–14 March 2021	To be advised	April 2021	\$2,000 (higher rate)
26. 15–28 March 2021	To be advised		\$1,300 (lower rate)
TOTAL POSSIBLE AMOUNT PER INDIVIDUAL			\$33,900 (higher rate)
			\$28,650 (lower rate)

¹ 31 August 2020 for newly eligible employees.



No change

There are no changes to:

- The requirement for employers to satisfy the wage condition
- The specified decline in turnover that a business must suffer (i.e. 15%, 30% or 50%)
- The special rules relating to service entity arrangements
- The ability of ACNC-registered charities to elect to exclude government grants from their turnover
- The meaning of 'eligible employee' and 'eligible business participant'
- The timing of the monthly payment of JobKeeper by the ATO in arrears
- The integrity rules, including the additional pre-12 March 2020 reporting requirements for businesses that qualify based on business participation
- The enrolment process
- The monthly reporting of turnover to the ATO
- The rule that prevents more than one employer claiming in respect of the same employee



Further information

[ATO guidance – JobKeeper extension](#)

[Treasury fact sheets](#)

[Three-month Review](#)

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